

ANNUAL REPORT



Environmental Investment Fund
of Namibia | ensuring sustainability

2013/2014

Mission

To promote the sustainable economic development of Namibia through investment in and promotion of activities and projects that protect and maintain the natural and environmental resources of the country.

Objectives

The EIF has been established to:

- mobilise funding for the maintenance of an endowment fund that will generate income in perpetuity, and
- allocate this income to activities and projects, which promote the sustainable use and efficient management of natural resources for the benefit of all Namibians

Values

- Conservation and Sustainability
- Organizational excellence and integrity
- Partnerships and collaboration
- Innovation



**Environmental Investment Fund
of Namibia** | ensuring sustainability

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Abbreviations, acronyms and exchange rates

ABS	–	Access and Benefit Sharing
BMCC	–	Biodiversity Management and Climate Change (Project)
BMZ	–	German Ministry of Economic and Development Cooperation
CBD	–	Convention on Biological Diversity
CBNRM	–	Community-Based Natural Resources Management
CoP	–	Conference of the Parties
DEA	–	Department of Environmental Affairs
DMEA	–	Division of Multilateral Environmental Agreements
EE	–	Environmental Education
EIA	–	Environmental Impact Assessment
EIF	–	Environmental Investment Fund of Namibia
EMP	–	Environmental Management Plan
FBUR	–	First Biennial Update Report
GEF	–	Global Environment Facility
GHG	–	Greenhouse Gas
GIZ	–	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GNP	–	Gross National Product
GTRC	–	Gobabeb Training and Research Centre
IBPC	–	Interim Bioprospecting Committee
ICZM	–	Integrated Coastal Zone Management
IFF	–	Investment and Financial Flows
ISOER	–	Integrated State of the Environment Report
MEA	–	Multilateral Environmental Agreement
NACOMA	–	Namibia Coast Conservation and Management (Project)
NAM-PLACE	–	Namibia Protected Landscape Conservation Areas (Project)
NAP	–	National Action Programme
NARREC	–	Namibia Animal Rehabilitation, Research and Education Centre
NBSAP	–	National Biodiversity Strategy and Action Plan
NCS	–	Namibia Customs Smelter
NDP	–	National Development Plan
NEEN	–	Namibia Environmental Education Network
PGRFA	–	Plant and Genetic Resources for Food and Agriculture
PLCA	–	Protected Landscape Conservation Areas
SADC	–	Southern African Development Community
SEA	–	Strategic Environmental Assessment
SCORE	–	Scaling up Community Resilience to Climate Change in Northern Namibia, with special focus on Women and Children (Project)
SNC	–	Second National Communication
TNC	–	Third National Communication to the United Nations Framework Convention on Climate Change (Project)
UNCCD	–	United Nations Convention to Combat Desertification
UNDP	–	United Nations Development Programme
UNFCCC	–	United Nations Convention to Combat Desertification
UNCSD	–	United Nations Commission on Sustainable Development
YES	–	Youth Environmental Summits

Chairman of the Board of Directors



The world has for decades now used the term, Green Growth as an alternative concept to standard economic growth, describing a path of economic growth that uses natural resources in a sustainable manner. Additionally, it has also become apparent over the years that Governments that put green growth at the heart of their development agendas stand a better chance of achieving sustainable economic growth and social stability, safeguard the environment and conserve resources for future generations.

With our responsibility for the investment of public funds and a mission to build an enduring institution, we have invested in the highest standards of corporate governance, systems and processes. You will have a chance to read more about all of this in the report that follows.

The past year has been particularly groundbreaking for us as we managed to remain focused on developing and implementing financial delivery mechanisms such as grants and loans. While the process has often proved challenging in design, progress has been defined in the numbers:

- Since the launch of the Fund, over Three Hundred and Forty project proposals have been received to the value of N\$230 Million.
- The Fund approved 49 projects worth N\$13 Million.
- About 10,800 community members and individuals have benefited from the grants with at least 185 people employed on the supported projects in the area of biodiversity conservation, sustainable agriculture, renewable energy, and water conservation.

This period has seen the Fund entering into a strategic partnership with the SME Bank, availing N\$3 million to start up this green credit scheme. The unique scheme is ring-fenced for environmental investments and provides subsidized financing to qualifying Namibian households for acquiring eco-friendly appliances such as solar water geysers, solar water pumps, solar lightning devices and equipment that optimize water usage amongst other areas of environmental sustainability. The scheme has been received with assurance, benefiting close to 201 households to date with the initial investment.

“The Fund has the potential to create much-needed jobs and contribute towards the realization of our national development goals.”

**49 projects
worth
N\$13 Million
approved**

In October 2013, the Fund also introduced a new green concessional financing product that provides interest subsidized loans ring-fenced for environmentally based enterprises. The loan book portfolio has been launched with the fund approving two highly innovative loans to the value of N\$ 5.5 million in the areas of green technology and best industrial practices.

Despite the fund's very short existence, its work has been recognized internationally. To this end, the EIF received an award from the Global Sustainable Finance Network at the Sustainable Finance Awards in June 2013, in recognition of successfully embedding economic, social and environmental sustainability into our core business. More recently, the Fund has made its maiden steps in contributing to the skills shortage in Namibia by awarding bursaries to the tune of N\$1.3 million to thirteen Namibian students undertaking undergraduate and postgraduate studies in environment related fields, under its Training, Research and Education focal area.

Moreover, the Fund was instrumental in delivering administrative and financial services for the hosting of the successful COP 11 (Convention of Parties) to the United Nations Convention to Combat Desertification; an event that cast Namibia to the forefront of the world in September 2013. In less than two years, the Fund has assisted in administering and delivering financial services for project implementation in excess of N\$79 million, mainly from the Government and development agencies.

The biggest challenge to achieving sustainable development is financing. Most Namibians have little access to capital and therefore have not directly benefited from our endowed resources. Commercial banks have traditionally never been keen on the risks associated with green financing; and the collateral demanded is something that the average Namibian individual or SME is unable to part with.

The EIF in its initial stages of institutional development is investigating ways in which state resources can be adequately channeled to meet this demand. We therefore need to look at the budget allocation of the Fund to effectively address its mandates. We are mindful of the budget deficits and other national priorities that are being implemented in Namibia compared to the available resources. There is however a need to consider increasing the budget allocation of the Fund to meet the demand as elaborated. This approach has been done in other countries, e.g. in 2012; the South African National Treasury made an amount of R800 million available for their Green Fund. The same approach could

be taken by Namibia, if we are to realize high impact economic, environmental and social.

With a keen eye on the future, the Fund contains a forward-looking approach. Next Year:

- The Fund will continue to support natural resource based enterprises in the form of concessional loans, interest rate subsidies on green loans, and guarantee schemes.
- We will actively support and promote targeted education, research, scientific advancements, bursaries and green job training programs.
- Key investments in green technologies, tourism development, and Community Based Natural Resource Management including climate change adaptation is envisaged.

All of these developments are closely tied very to the aims and objectives of the Namibia Development Plan 4 and I say with confidence that the Fund is strategically placed to support low-hanging fruit that will enable us to attain NDP 4 targets. We are now working on strategies for long-term funding through partnerships and leveraging tools and investment opportunities with other institutions.

I would like to use this opportunity to ask for collective support to the Environmental Investment Fund of Namibia. Its existence is extremely important in advancing and sustaining our economy. The Fund has the potential to create much-needed jobs and contribute towards the realization of our national development goals.



TEONUS NGHITILA
Chairman

Chief Executive Officer's Report

The year 2013/14 has been one that would see us reach the halfway point of the commitments we have made as an institution in our 5-year strategic business Plan. Since we began operations we have worked hard to build a business model based on making commercial viable investments in green projects while mobilizing other public and private capital.

Growth in Human Capital and new products

On a day-to-day level the fund has grown immensely in responsibilities, necessitating added capacity. To date the Operations department, the mainstay of the Fund; has grown to include capacity in finance and risk analysis, business development and project support. A Human Resource unit under the Directorate of Finance and Administration was subsequently formed in order to oversee this growth in staff numbers.

It has been this added dimension in key competencies that has enabled us to develop and fully roll out the financing products planned for during the previous financial year. The Green Concessional Loans, an investment product that has long been in demand has since its launch attracted close to 45 innovative applications from private sector businesses and innovative start-up companies. There is an increasing interest from the general public for sustainability projects and the enquiries the fund receives from entrepreneurs and academics on our revamped website, the Facebook page and frequent visits to our offices are testimony of this heightened interest.

Expanding the green footprint

This year has also seen us roll out our Communication Strategy more effectively, enabling us to introduce the Fund and its benefits to our people from corners as far as the Omaheke region, the great Kunene region and the four northern regions. With regional economic development high on the national agenda, the Fund has found its special niche in the financing aspect



“ We now have the right people with competitive skills, a distinctive and diversified project portfolio, innovative investment strategies and a culture committed to being the leader in green financing in Namibia - most admired for its people, partnership and performance. ”

of small to medium-scale industrial developments. The Fund has therefore found considerable value in participating and exhibiting at Trade Fairs and business expos in Namibia, with Ongwediva Annual Trade Fair, the Namibia Tourism Expo and the Windhoek Agricultural Show forming key platforms to disseminate information, clarify fund application procedures and sharing success. This expanded outreach has been reflected in the number of funding proposals received.

Partnerships

With complementability at the core of our strategy, we have over the reporting period also consolidated our partnership with donor and non-governmental agencies such as the Desert Research Foundation (DRFN) and Namibia Association for CBNRM Support Organizations (NACSO) in order to further increase local-level awareness on global issues such as climate change, resource depletion and desertification. It is these technical partnerships that have enable the Fund to play a key financial administrative role during the successful hosting of the 11th Convention of Parties (COP11) to the United Nations Convention to Combat Desertification (UNCCD) in September 2013 – an event attended by close to 3,500 international delegates.

This reporting period would also present the launch of the Green Building Council of Namibia (GBCNA), of which the Fund is a founder platinum member. The GBCNA is an independent, non-profit trust funded by membership fees and income from training programmes and assessments, and is a member of the

World GBC. Its primary activity is to operate a “Green Building Rating System” for certifying green buildings in Namibia.

The Fund has also become a member of the Southern Africa Development Community – Development Finance Resource Centre (SADC DFRC), an institution serving as a sub-regional centre of excellence to strengthen the SADC Development Finance Institutions (DFIs) Network and to enhance the capacity of the SADC DFIs to deliver on their mandates towards the achievement of the SADC RISDP goals of economic growth, employment generation and poverty alleviation. To date the fund has benefited tremendously from SADC DFRC in training areas such as strategic financial reporting, performance management, investment appraisal and risk analysis.

We now have the right people with competitive skills, a distinctive and diversified project portfolio, innovative investment strategies and a culture committed to being the leader in green financing in Namibia - most admired for its people, partnership and performance.



Benedict Libanda
Chief Executive Officer





“ Although EIF is still a young organization, it is doing a great job in promoting sustainable development despite the challenges Namibia is faced with. Our partnership with the Fund involves building capacity amongst communities to enable them to access the resources provided by the Fund. ”

Viviane Kinyaga
Director
Desert Research Foundation



CHAPTER ONE

Introduction to the Fund

Upon his return from an almost 3 decade-long exile in 1990, Namibia's first President H.E. Dr. Sam Nujoma had noticed the environmental debt that was left behind by the South African colonial regime. In his own words at the time; the Statesman could barely recognize his homestead as deforestation had taken its toll on the once lush village environment. It was the environmental degradation of these communal areas and the inland and coastal areas from close to 100 years of diamond and precious metal extraction that prompted the President to commission the preparation of the Namibian Green Plan in 1992 (Brown ed. 1992), a document that outlined the country's main environmental challenges and specified actions required to address them and set Namibia on the path of sustainability.

In 1992, at the height of rapid global industrialization and its associated natural resource depletion driven by developed countries' economic quests, His Excellency Dr. Sam Nujoma presented the Namibian Green Plan to the United Nations Conference on Environment and Development (UNCED) at the Rio World Summit in Rio de Janeiro, Brazil – the first country to do so at the time. It appeared to be an extremely strategic gesture from a newly sovereign state, but the history behind the development of the document proved to be more far-reaching than initially imagined.

Finance deficit for environmental protection

During the development process of the Green Plan, it however became evident that despite the adoption of a national Constitution that declared natural resource protection and sustainable utilization thereof as a key to development; Namibia had not invested adequately in the protection of its environment. The government also did not have the resources required to fulfil all the actions necessary to reach the objectives and commitments made in the Green Plan.

The government's National Development Plan 1 (NDP1), approved by Cabinet in 1995 covered the period between 1996 and 2000; and made provisions for the development of an Environmental Investment Fund as a task. The Directorate of Environmental Affairs (DEA) of the Ministry of Environment and Tourism (MET), identified as the implementing agency set about to develop an entity independent of government but which would fit into the government's development

policies and programs. This new and innovative fund was to become a tool for national economic development while securing resources to protect Namibia's fragile environment. It would complement but not substitute for government in the protection of the environment.

Creation of an Environmental Fund – a consultative process

The consultative process involved a broad range of stakeholders and partners, including government, private sector, academia, non-governmental organization and community based groups.

Constraints and threats such as reservations and resistance from certain public sector agencies and competition from other Funds were negated with the eventual consensus among stakeholders that economic development and environmental protection were integrally linked. With agriculture, industrial fishing and mining identified as key natural resource based industries and the transport and manufacturing sectors gathering pace, sustaining this growth proved the biggest challenge. It was also recognized that the issues of poverty, the environment and sustainable development in Namibia were related and could not be viewed separately or as sectoral issues.

In December 2001, after a series of consultative meetings, the Environmental Investment Fund Act was passed by Cabinet, paving the way for the creation of the Environmental Investment Fund of Namibia (EIF).

Created as a statutory and independent entity outside the public service, the EIF would perform functions linked to sustainable economic development; including raising local revenue through the introduction of statutory fees and levies; making it more than just a fund for financing conservation activities. Its ultimate objective is to provide sustainable financing to the poorest sectors of society, enabling them to pursue livelihoods from their natural resources while reducing the impact of unsustainable economic practices that degrade Namibia's fragile environment and waste its natural resources.

From conception to birth to operation

After a consultative process which laid the foundations for the level of autonomy, operations and initial capitalization of the EIF, the institution was officially launched on 13th February 2012 by the President of the Republic of Namibia, His Excellency Hifikepunye Pohamba. The Board of Directors of the Fund appointed Mr. Benedict Libanda as the institution's first Chief Executive Officer.

Today the Fund's operations are overseen by two Directorates; Operations and Finance and Administration, and served by seventeen (17) full-time employees.

The environmental projects financial delivery mechanisms developed by the Fund have to date benefited close to 50 projects countrywide with an investment of close to N\$ 13 million, benefiting close 18,985 people. The Fund has also sought administrative synergy in the sector by hosting a number of projects whose activities are catalytic to the execution of its mandate.

18,985
Estimated
beneficiaries

498
Job opportunities
created



CHAPTER TWO

The Fund's Policies and Governance

Main operational policies of the Fund

The Fund's operations are guided by principles of good governance as prescribed in the State Owned Enterprises Governance Act and Companies Act.

The Board of Directors

Oversees the strategic direction of the Fund, while the Technical Advisory Panel (TAP) provides technical input on the nature and quality of projects recommended for financing.

Financial shrewdness and precision is of utmost significance to the Fund and its stakeholders and to this end the institution has established the Financial Risk and Investment Committee, which advises the Board and the CEO on matters of a finance and investment related nature. The committee meets once quarterly or as need be and reports its recommendations and findings directly to the Board of Directors through the Chief Executive Officer.

As the Fund grows, the need to strategically manage the fund's principal asset, human capacity will grow as well. For this purpose the fund has established the Human Resource, Finance and Audit Committee which advises on matters pertaining to staffing at the fund, staff remuneration and related issues.

Human Resource, Finance and Audit Committee

Maxi Louis	NACSO
Steven Eagleton	De Beers
Benedict Libanda	EIF Namibia
Izoldah Hijamutiti	EIF Namibia
Lizl Timbo	EIF Namibia

Financial Risk & Investment Committee

Titus Ndove	Bank of Namibia
Nicolas Mukasa	Bank of Namibia
Karl Aribeb	EIF Namibia
Pandeni Kapia	EIF Namibia

“Financial shrewdness and precision is of utmost significance to the Fund”

Board of Directors

The Fund is managed by a six-member Board of Directors comprising three senior government officials, a prominent CBNRM personality, one banking sector executive and a full-time Chief Executive Officer.



**Theofelus
Nghitila**
Chairman



**Dr Gabi
Schneider**
Vice Chairperson



**Sheehamandje
iipinge**
Director



Maxi Louis
Director



Titus Ndove
Director



**Benedict
Libanda**
CEO

Technical Advisory Panel

The Environmental Investment Act Section 11 establishes the Technical Advisory Panel to advise the Board on technical matters as required.



Dr. Jonathan Barnes

Jon has a PhD in natural resource economics, and is a director in the consulting firm, Design and Development Services cc, based in Windhoek, Namibia. Dr Barnes has been practising in environmental science for 36 years, 12 of these specializing in ecology, and 24 of these specializing in natural resource economics. He has significant experience in the economics of Namibian tourism, wildlife use, rangeland use, forestry, fisheries, agriculture, community-based natural resource management, and rural development.



Dr. Mutjinde Katjiua

Mutjinde serves as an associate professor for the Master of Integrated Land Management (MILM) programme at the Polytechnic of Namibia since 2009. He is an experienced researcher with extensive training and expertise over the past 20 years in rangeland ecology, local-level decision-making systems for natural resource management, environmental resources mapping and natural resource management. Dr. Katjiua holds a Doctorate degree in Conservation Ecology from the University of Stellenbosch.



Mr. Jefta Goreseb

Jefta has combined knowledge and experience in business development, support and management, investment/project monitoring and evaluation including water and environmental management. He is currently employed as an Investment Analyst with the Development Bank of Namibia. Previously he was a Programme Coordinator and Environmental officer for the City of Windhoek and as a Water desk officer for the Desert Research Foundation of Namibia. He holds a Master of Business Administration from Leicester University (United Kingdom), Master of Science in Water Resources and Livelihood Security from Linkoping University (Sweden).



Ms. Olga Katjiuongua

Olga is a Manager of Strategy and Development Fund at the Social Security Commission since May 2011. She has over 7 years of experience in community based tourism and tourism in general, which covers areas of product development, business planning and advice, marketing, training, joint venture facilitation, project/contract management, fund raising and policy development. She served as the Executive Director of NACOBTA, a community based tourism NGO, and as a Deputy Director of Tourism in the Ministry of Environment and Tourism. She also has over 5 years of experience in the field of education, at secondary and tertiary level. She holds a postgraduate Diploma in Education from Rand Afrikaans University, a Bachelor Degree in Accounting from the University of Namibia and is finalizing her thesis for an MSc in Accounting and Finance from the University of Namibia.



Mr. Petrus Muteyauli

Petrus has comprehensive knowledge of sustainable economic development planning and growth stimulation with 10 years experience working in the Ministry of Environment and Tourism as a lead research on tourism and environmental economics. He holds a Master Degree in Public Policy and Administration with specialization in macroeconomics and public finance as well as environmental policy and sustainable development. He also holds an Advanced Postgraduate Specialist Degree in Tourism Economics from the University of Balearic Island in Spain with strong emphasis on environmental economics, environmental policy tools, tourism economics, and advanced micro/macroeconomics and project management.

Fund Organisation

OFFICE OF THE CEO

FINANCE AND ADMINISTRATION

**Isoldah
Hijamutiti**
Director: Finance and
Administration

Lizl Timbo
Head: Human
Resources

Willibardt Kozosi
Assistant Accountant



**Benedict
Libanda**
Chief
Executive Officer



**Keshe
Nghituwamata**
Assistant
Finance Officer

Patrick Ngaujake
Driver and Office
Assistant

Monique Krohne
Office Administrator

OPERATIONS



**Johanna
Maharero**
PA to the CEO



Lazarus Nafidi
Head:
Communication &
Corporate Affairs

**Karl Mutani
Aribeb**
Director:
Operations

Nickey //Gaseb
National
Coordinator
SGP NAM

Robert Kabunga
Business
Development Officer



OPERATIONS



**Rauna
Nghatanga**
Assistant Coord-
inator SGP Namibia



Pandeni Kapia
Finance & Risk
Analyst



Martha Jonas
Project Support
Officer



**Justina
Shimwafeni**
Intern



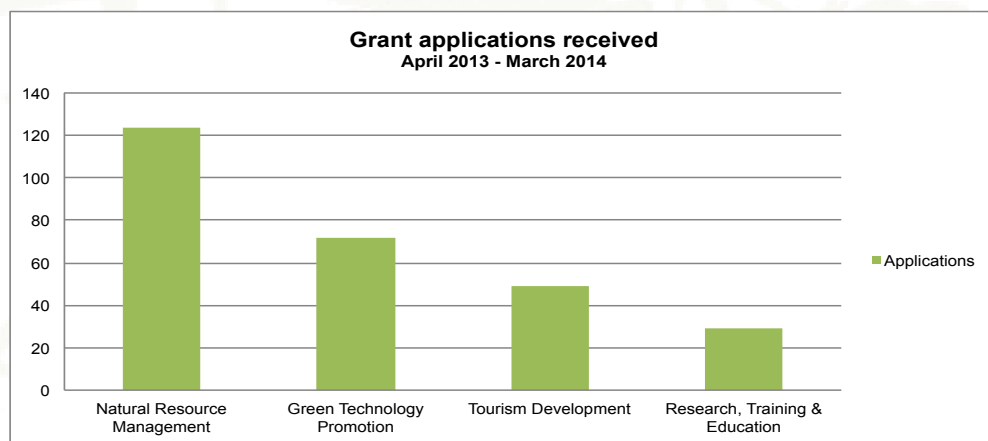
Rakkel Nehale
Intern

Projects supported by the Fund in the reporting period

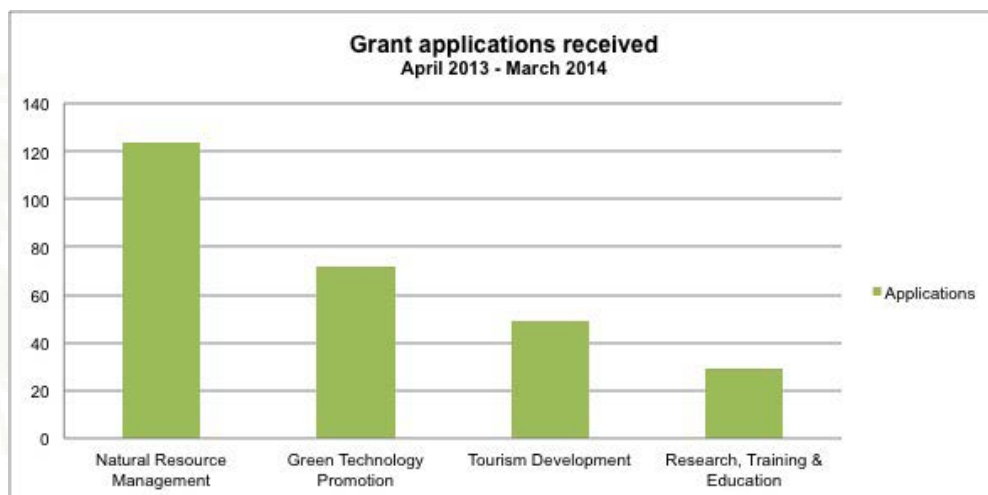
Grant financing has been the foundation of what EIF has been able to do during the first 2 years of its existence. The financing, while wholly focused on poorer communities and livelihoods, also aimed at complementing rural development efforts.

The Fund has provided grant financing to a total of 49 projects to date across the areas of natural resource management and value addition, green technology, sustainable industrial practices and training and research. During the reporting period, the fund has also launched its Green Concessional Loans portfolio, committing close to N\$ 13 million for this green financing scheme.

The Fund also committed N\$ 3 million towards the financing of a green lending scheme for renewable technologies which is administered in partnership with the SME Bank. Below is an indication of the demand of the Fund's financial products over the reporting period.



Grants remain an important catalyst for economic development particularly in rural areas. The Fund received more than 300 applications over the reporting period.



The Fund received close to 40 innovative business plans in the first 5 months since the launch of the Green Concessional Loans.

24,400 km²
Total area of Namibian
Conservancies supported
with EIF grant financing

Natural Resource Management

The Fund has provided grant financing to 12 projects over the reporting period, out of a total of 68 applications in this focal area. A total amount of **N\$ 4,610,690** in grants was approved for projects across the country.

- Lushika Organic Vegetables and Chilli Production Project
- Caprivi Chili Farmers Association
- Olushandja Horticultural Producers Association
- Community round-table discussions: presenting Namibia to COP11
- Support for the implementation of Caprivi Conservancies Anti-poaching Strategy
- **NACOMA** - Damara Tern project
- **Nico Nord** Falkenhorst Micro Drippers and Shading
- **Nyae Nyae Conservancy** - Planned Herding and Grazing in Nyae Nyae Conservancy
- **Klein Karas Community Garden**
- Unleashing the potential of improving Rural Income Nutrition Through Cultivation of the Moringa
- Support for the Implementation anti-poaching Activities in conservancies in Kunene Region



- **Renewable Energy Institute** - Solar Thermal Training System for Vocational Institutions in Namibia
- **My Digital Bridge** - Citizen Connect to e-Waste
- **Metallurgical Research and Consulting cc** - Recycling of waste tyres
- **GreenCycle investment cc** - Proposal for the funding of the Business Plan development to establish a Waste Tyre Recycling factory
- **Kankama Trading** - Smart Sanitation Pilot Project
- **435 Development Companies** - Construction of a Demonstration Green House using alternative methods
- **Erari Rain Water harvesting**

Green technology & low carbon development

The Fund has over the reporting period paid special attention to the promotion of green technologies in the areas of waste management, recycling and renewable energy.



Tourism Development

With Tourism identified as one of the sectors targeted for growth in NDP4, the Fund approved projects to the tune of **N\$ 755,862.50** in this focal area.



- **Uukolonkhadi Community Forest** – Mopane worm domestication project
- **Penduka** - Environmental and Cultural Tourism Conservancy through Capacity Building and Skills Development,
- **Khoadi-Hoas Conservancy** - Grootberg Lodge Interpretive Exhibition
- **Eco Awards** - Rewarding Responsible Tour Operators in Namibia
- **Ndaponah** - The Namibian Itinerary
-



Training, Research and Education

Training and research are integral to a society geared towards green growth. The Fund has over the reporting period committed itself to addressing the research and qualifications gap currently in Namibia as well as aided research institutions in generating new knowledge for better decision-making.

- **Gobabeb Research Training Centre:** Sanitation and Waste Management:
- **Critical Thinking in the Sossusvlei** – Namib Landscape
- **Lerico Events and Safari:** Eco – Kidz
- **GreenCycle investment cc** : Research on waste Tyre Recycling Plant
- First intake of EIF Bursary scheme



N\$ 1.3 million

Total Investment towards EIF
Bursary Programme

The EIF Bursary programme

Adding long-lasting value through education and training

"The EIF bursary program has been a personal blessing to me and has turned my dreams into reality. I believe this initiative will positively contribute to the economy of the country through the targeted programs it offers students to go study. I am encouraged to become the first female Environmental Lawyer in Namibia."

13

Number of Namibian students currently studying with an EIF Bursary

Evelyn Mwadinaohmo Kangala
Environmental Law student
University of Western Cape
EIF 2013/2014 Bursary holder



N\$1.39m

total investment towards
anti-poaching activities in Namibia

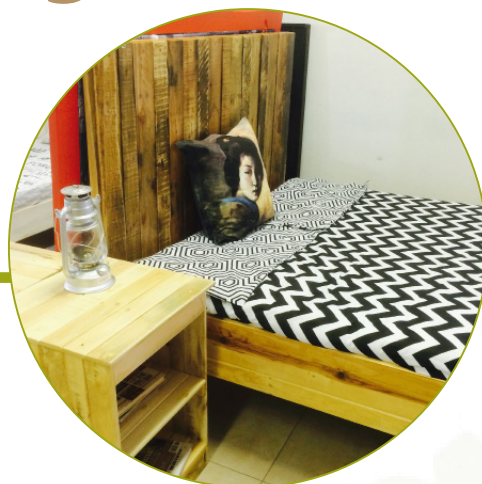


11

Number of conservancies in
Kunene and Zambezi Regions
supported

Benz Manufacturing Woodwork

Waste Management & Recycling



SCRAP ... Dismantled pallets and crates that have already been used.



IN CHARGE ... CEO of Benz Manufacturing Woodworks, Matheus Benz.

Benz Manufacturing Woodworks, one of the few ecologically conscious companies and the first recipient of the Green Concessional Loan began as a home business. It has grown from strength to strength and with the support of the EIF, the company is set to grow even bigger.

Benz Woodworks makes all kinds of furniture from old crates and pallets collected along the coastline, from the mines, and local retailers – material which would otherwise be harmful to the environment.

N\$1million

Green Concessional Loan
at 6% interest rate

25

Green jobs created

500

Tonnes of Waste
recycled per year

“Recycling is very good for the environment. We make furniture from old wooden pallets and crates.”

Nicolene Benz

Manager: Benz Manufacturing Woodworks

Greenfield Fertilizer CC

Sustainable Agriculture



Greenfield Fertilizer cc. is a green enterprise that specializes in the production of organic fertilizer - a practice done without the usage of chemicals well known for reducing soil fertility over the long run.

N\$3.9 million

Green Concessional Loan at 5% interest rate.

43

Green jobs created

3,000

tons of organic fertilizer produced per year





Our aim is to transition Namibia to
a greener and resource
efficient economy

CHAPTER THREE

Achievements of the Fund



International recognition

The Fund has twice in consecutive years obtained international acclaim among industry institutions for its innovation winning the Global Sustainable Finance award for best innovation in June 2013, and then claiming the runner-up prize to Bangladesh in the category, Best Innovation in Sustainable Financial Products and Services for the Green Soft Loan Scheme jointly with the SME Bank in June 2014. Both ceremonies were held in Karlsruhe, Germany, by the Global Sustainable Finance Network, of which the fund is a member.




**two
time**

**Award winning
Financial
Institution**


Launch of the Green Soft loans

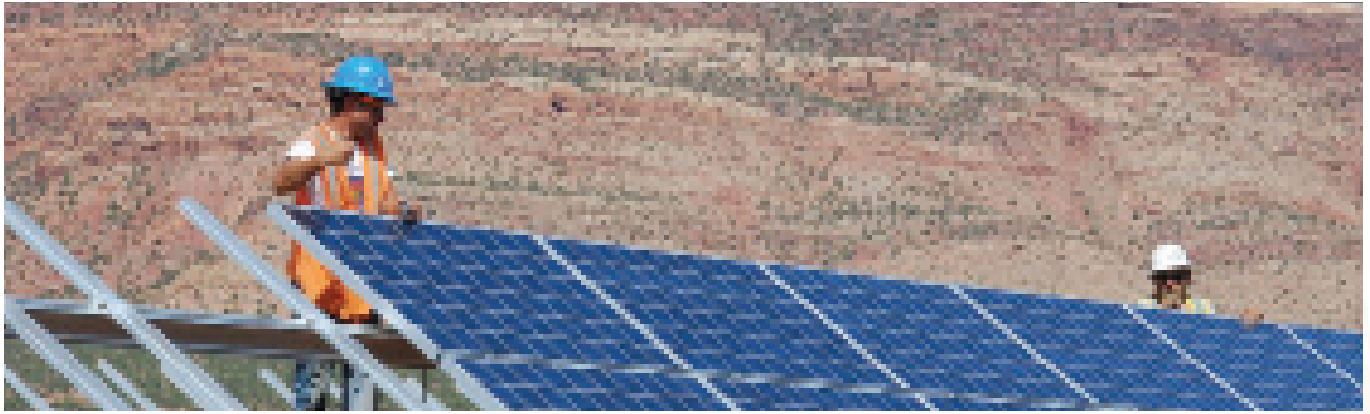
In September 2013, the fund launched the Green Soft Loans scheme in partnership with the SME Bank. The scheme, a soft lending mechanism seeking to redress the cost barrier to acquiring renewable technologies, is credit facility that enables qualifying individuals to obtain loans to purchase and install renewable energy technologies such as Solar Home Systems, energy efficient technologies, solar water heaters, solar water pumps, LPG gas devices, and conversions for vehicles to LPG systems. The Bank acting as financial intermediary would provide credit at subsidized interest rates and relaxed terms to households and individuals.

Blending
environmental goals
with socio-economic
development



SME BANK
**GREEN SOFT
LOANS**

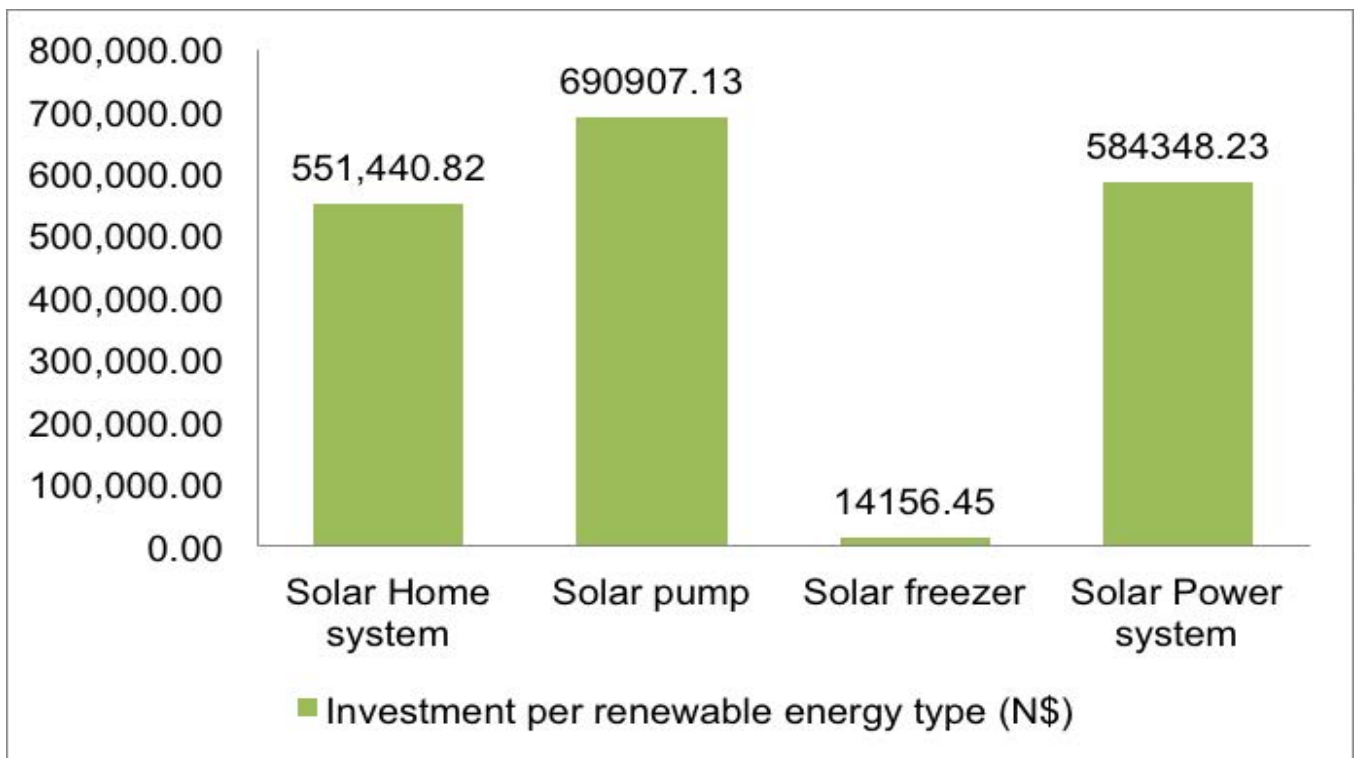




36 applications
to date valued at
N\$ N\$ 2,303,670.00

23
Households
benefited to date

23 loans
approved, valued
at N\$ 1,621,989.65



1,250 kw

Clean energy produced
per annum

**1,858
tonnes**
Carbon savings
per annum

Promotion, public outreach and capacity



A solid Communication Strategy is key to EIF's success. The strategy targets a range of audiences:

- Local level 'decision-makers', who it always helps to keep informed of our work but also to make sure that the Fund stays in the forefront of what they are seeing;
- Potential donors, who need to see the Fund as a credible and transparent institution with a good reputation for project financing and completion;
- Applicants, who need to understand what the Fund offers and how they can best make use of the product and services to contribute to economic development;
- The Namibian public and media.

The Fund's headquarter is in Windhoek and therefore extensive communication and awareness raising across multiple platforms has been a major activity for the fund over the reporting period.

During the reporting period the strategy was executed through the following channels:

- Online presence
- Targeted sponsorships
- TV campaigns, through involvement on Green Horizons on NBC TV;
- Radio programme advertorials
- Printed media editorials
- Participation in local Trade fairs and expos
- Targeted Road show (Opuwo – Outapi – Ongwediva – Eenhana)



“Our communities will never realize the true value of political freedom until they have true and sustainable economic power. Sustainability is built on environmental, social and economic dimensions. The EIF addresses challenges posed to these dimensions”

-Honorable Minister UahekuaHerunga at Opuwo Roadshow



Financing Green entrepreneurship

- the Paperblock project of the Men on the Side of the Road project received funding from EIF to start marketing activities.



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Learners put through the Envirokidz Programme

Building the next set of Namibian Leaders at the Enviro-Kidz excursion to the South of Namibia.



Exploring tertiary academic opportunities in environmental fields at the Namibia Careers Expo.



Our part for Road Safety

The Fund joined the fight against the carnage on Namibia's roads by sponsoring solar lighting to the Namibian Police for use at road blocks during the Festive Season road safety campaign and beyond.

Institutional

developments within the Fund

Towards an inclusive administration system

The Fund has during the last quarter of the year embarked on an exercise to implement a fully-fledged Enterprise Resource Planning system (ERP), which would integrate key functions of the Fund in order to attain efficiency. While the system would integrate the procurement and finance modules it also brings in a loan module and an integrated customer relations management module.

These changes effectively enhance the Fund's ability to manage its various financing portfolios and will become even more significant as the fund grows and the numbers of users increase.

Monitoring and evaluation capacity

Financial oversight over 49 grant projects and green concessional loans is not an easy task. The Fund has therefore created the portfolio of Monitoring & Evaluation Officer at the beginning of the 2014/2015 financial years, fittingly occupied by Ms. Aina-Maria Iteta; who comes with an M&E pedigree during her tenure with the Ministry of Agriculture, Water & Forestry. Aina will also be responsible for a company-wide M&E and ensure that targets are met.

The Fund has also spread its footprint countrywide by appointing regionally based M&E consultants who under the coordination of Ms. Iteta will ensure that EIF funded projects and activities are carried out according to the signed-off workplans.



Projects and fund administration

Institution	Project title	Amount (N\$)
Ministry of Environment and Tourism	COP11 UNCCD	58 million
Ministry of Environment and Tourism	UNDP-APP	680,597
UNFCCC	UNFCCC conferences, training and related activities	1.21 million
Ministry of Environment and Tourism	Pre-financing of the Tsumeb Custom Smelter project	25 million
Ministry of Environment and Tourism/GIZ	Resource mobilization for effective implementation of the national Biodiversity Strategy	4.32 million
Ministry of Environment and Tourism/GIZ	Biodiversity Management and Climate Change (BMCC)	8.5 million



Forthcoming attractions

Increasing capacity

In order to become a reputable institution that is run on good governance principles the Fund continues to explore future areas of strength and to this end will be seeking to expand its capacity in the areas of internal audit, risk and compliance as well as information technology and administration. The Fund will in the following financial year plan to grow its staff component in these areas.

Projects and fund administration

The fund has completed negotiations that will conclude agreements to administer the following programmes in the new financial year:

“Working with EIF brings efficiency and ultimate peace of mind to BMCC project staff as procurement and related financial functions are adequately dealt with by the Fund; giving us ample time to focus on programme design and implementation”

*Muna Anguwo
Project Administrator
Biodiversity Management & Climate Change
(BMCC) project*

Partner institution	Area of cooperation	Amount (N\$)
Game Products Trust Fund (GPTF)	GPTF Secretariat (Fund Manager) hosted administratively at EIF offices	15.6 million
UNDP Small Grants Programme	Fund administration of this community grants-making programme	450,000
UNDP/GEF Kalahari Namib Project (KNP)	Fund administration for this GEF funded Kalahari Namib project	13.3 million





SMARTSAN

pilot project

Creating a dignified sanitation solution for communities through the provision of flushing toilets

The SMARTSAN concept is a combination of a biological anaerobic process and nano filtration system that recycles flushed toilet water without municipal water connection to the toilet cistern.

- Totally environmentally friendly
- Improved health and quality of life
- Promotes water saving through reduced pressure on scarce water resources
- No additional pressure on overloaded sewage infrastructure and power supply resources

“These toilets are a blessing.

Because of these toilets life is easier and we no longer have to fear waterborne diseases like cholera and hepatitis. They are also easy to maintain.”

Simpande Paulinus

SMARTSAN Beneficiary
Okahandja Park, Windhoek



Financials

Environmental Investment Fund of Namibia



Annual Financial Statements for the year ended 31 March 2014

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

General Information

Country of incorporation and domicile	Namibia
Business address	Capital Centre 2nd Floor, Independence Avenue Windhoek Namibia
Postal address	P O Box 23157 Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia) PwC, a partnership duly organised according to the laws of the Republic of Namibia (hereafter referred to as "PwC", "we", "us", our")

Environmental Investment Fund of Namibia
Annual Financial Statements for the year ended 31 March 2014

Contents

The reports and statements set out below comprise the annual financial statements presented to the directors:

Contents	Page
Directors' Responsibilities and Approval	36
Independent Auditor's Report	37-38
Directors' Report	39
Statement of Financial Position	40
Statement of Comprehensive Income	41
Statement of Changes in Equity	42
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Accounting Policies	44-46
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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Comprehensive Income	53-54

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Directors' Responsibilities and Approval

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small - Medium Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small - Medium Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

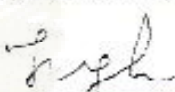
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

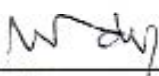
The directors have reviewed the company's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Fund's annual financial statements. The annual financial statements have been examined by the Fund's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 6 to 18, which have been prepared on the going concern basis, were approved by the board and were signed on its behalf by:



Director



Director

Windhoek

15/10/2014
(Date)



Independent Auditor's Report

To the directors of Environmental Investment Fund of Namibia

We have audited the annual financial statements of Environmental Investment Fund of Namibia, which comprise the statement of financial position as at 31 March 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 6 to 19.

Directors' Responsibility for the Financial Statements

The fund's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small - Medium Entities and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Environmental Investment Fund of Namibia as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small-Medium Entities.





Independent Auditor's Report (continued)

Supplementary information

The supplementary information set out on pages 21 to 22 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

PricewaterhouseCoopers

**PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)**

**Per: R Nangula Uaandja
Partner**

Windhoek, 15/10/2014

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Practice Number 9406, T: +264 (61) 284 1000, F: +264 (61) 284 1001, www.pwc.com/na*

Country Service Partners: R Nangula Uaandja
Partners: Gert P van der Merwe, Louis van der Riet, Andre EJ Kossing, Sereia N Lombard, Stefan Hugo, Charmell N Huiswoud, Gerit Potseger, Talita B Horst, Samuel N Oshingwayo

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of the Environmental Investment Fund of Namibia for the year ended 31 March 2014.

1. Incorporation

The Fund was established in Namibia on 22 December 2001 in terms of the Environmental Investment Fund of Namibia Act.

2. Nature of business

The Fund is engaged in the procurement of moneys for the maintenance of an endowment fund that will generate income in perpetuity and to allocate such income to activities and projects aimed at promoting sustainable development and operates principally in Namibia.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS for SMC's. The accounting policies have been applied consistently compared to the prior year.

The Fund recorded a (deficit)/surplus for the year ended 31 March 2014 of N\$(7,532,306). 2013: (N\$11,891,345).

4. Directors

The directors in office at the date of this report are as follows:

Directors	Nationality
Teofilus Nghitila	Namibian
Dr. Gabriele Schneider	Namibian
Titus Ndove	Namibian
Maxi Louls	Namibian
Sheehamandje Ipingsa	Namibian

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Auditors

PricewaterhouseCoopers continued in office as auditors for the company for 2014.

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Statement of Financial Position as at 31 March 2014

	Note(s)	2014 N\$	2013 N\$ Restated
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,241,458	1,177,240
Other financial assets	3	2,000,000	-
		<u>3,241,458</u>	<u>1,177,240</u>
Current Assets			
Trade and other receivables	4	14,723,697	3,981,003
Cash and cash equivalents	5	31,312,815	45,721,778
		<u>46,036,512</u>	<u>49,702,781</u>
Total Assets		<u>49,277,970</u>	<u>50,880,021</u>
Equity and Liabilities			
Equity			
Accumulated Funds		40,631,851	48,164,157
Liabilities			
Current Liabilities			
Trade and other payables	7	7,404,661	1,538,824
Deferred income	6	1,241,458	1,177,240
		<u>8,646,119</u>	<u>2,715,864</u>
Total Equity and Liabilities		<u>49,277,970</u>	<u>50,880,021</u>

Environmental Investment Fund of Namibia
Annual Financial Statements for the year ended 31 March 2014

Statement of Comprehensive Income

	Note(s)	2014 N\$	2013 N\$ Restated
Grant Received	0	11,092,897	18,722,432
Administration fee received		360,058	304,021
Operating expenses		(21,081,103)	(9,575,936)
Operating (deficit) /surplus	9	(9,328,148)	9,511,317
Investment income	10	1,785,842	1,900,455
Surplus for the year		(7,532,306)	11,411,772
		-	-
Total (deficit)/ surplus for the year		(7,532,306)	11,411,772

Environmental Investment Fund of Namibia
Annual Financial Statements for the year ended 31 March 2014

Statement of Cash Flows

	Note(s)	2014 N\$	2013 N\$
Cash flows from operating activities			
Cash receipts from customers		10,742,691	16,101,937
Cash paid to suppliers and employees		(24,462,695)	(8,782,428)
Cash (used in) generated from operations	12	(13,720,004)	7,319,509
Interest income		1,795,842	1,900,455
Net cash (to)/ from operating activities		(11,924,162)	9,219,964
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(506,092)	(798,851)
Sale of property, plant and equipment	2	21,291	
Sale of financial assets		(2,000,000)	-
Net cash to investing activities		(2,484,801)	(798,851)
Total cash movement for the year		(14,408,963)	8,421,113
Cash and cash equivalents at beginning of the year		45,721,778	37,300,665
Total cash at end of the year	5	31,312,815	45,721,778

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

1. Basis of presentation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small - Medium Entities. The annual financial statements have been prepared on the historical cost basis except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

These accounting policies are consistent with the previous period.

1.1 Statement of compliance

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. No significant judgements were used during the year.

1.2 Basis of preparation

The financial statements of the company have been prepared in accordance with 'International Financial Reporting Standards for Small-Medium entities' (IFRS for SMEs). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements.

1.3 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Fund adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on other assets is charged so as to allocate the cost of the asset less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Item	Average useful life
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	3 years
IT equipment	3 years

Environmental Investment Fund of Namibia
Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

1.3 Property, plant and equipment (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

1.4 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised in profit and loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instruments measured at amortised cost, are measured at cost less impairments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.5 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Fund will comply with the conditions attached to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Accounting Policies

1.5 Government grants (continued)

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grant is initially recognised as deferred income and it is recognised to income at the same time that depreciation is recognised.

Grants related to income are presented as a credit in the income statement (separately).

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the group has complied with all attached conditions. Grants received where the group has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014 N\$			2013 N\$		
2. Property, plant and equipment						
	Cost	2014 Accumulated depreciation and impairments	Carrying value	Cost	2013 Accumulated depreciation and impairments	Carrying value
Furniture and fixtures	678,979	(103,992)	575,019	448,679	(45,168)	403,521
Motor vehicles	553,953	(280,083)	283,863	533,953	(139,102)	424,851
Office equipment	207,063	(94,332)	112,731	103,262	(45,075)	58,174
IT equipment	570,511	(300,666)	269,845	430,465	(139,774)	290,694
Total	2,020,506	(779,043)	1,241,458	1,546,352	(369,112)	1,177,240

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	403,521	230,300	-	(58,802)	575,019
Motor vehicles	424,851	-	-	(140,988)	283,863
Office equipment	58,174	103,814	-	(49,257)	112,731
IT equipment	290,694	171,878	(21,291)	(171,536)	269,845
	1,177,240	506,092	(21,291)	(420,593)	1,241,458

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	224,541	212,516	(33,536)	403,521
Motor vehicles	158,462	391,053	(124,694)	424,851
Office equipment	82,758	26,763	(31,337)	58,174
IT equipment	238,642	165,519	(116,457)	290,694
	684,423	796,851	(306,034)	1,177,240

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014 N\$	2013 N\$
3. Other financial assets		
At amortised cost		
SME Bank	2,000,000	-
This is related to the amount disbursed by the SME bank to the successful recipients		
EIF has lent funds to the SME bank to be used by the SME bank to provide soft loans to successful recipients for Green Investment Projects at the Soft Green Loan Scheme Interest Rate, which financing will comply with the criteria as agreed upon by the parties.		
The loan is receivable from the SME bank in the following terms: Loan outstanding paid to EIF in equal instalments arrears bi-annually. First payment made on the 37th month from the first utilisation. Interest rates charged to recipients at Prime rate less 4.25% per annum or 4.75% per annum whichever is greater and this is to be split 60:20 between SME bank and EIF respectively. Interest is payable on the 7th month from the first utilisation. The loan is not secured.		
Non-current assets		
Available for sale	2,000,000	-
4. Trade and other receivables		
Trade receivables	14,352,915	3,734,215
Prepayments	370,852	246,788
	14,723,697	3,981,003

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014 N\$	2013 N\$
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1,956	285
Bank balances	25,794,430	5,935,875
SME Investment account	1,000,000	39,906,041
Trust Account	4,516,429	479,576
	31,312,815	45,721,778
Restricted cash	4,516,429	479,576
Included in the cash and cash equivalent is an amount N\$ 4,516,429 (2013: N\$ 479,576) relating to specific projects. The funds are held in a designated bank deposit account to be used only for the purpose of the specific projects (Refer to note 13 for details)		
6. Deferred income		
This amount presents the government grant used for the funding of assets.		
Government grants are recognised as deferred income and released to the income statement over the useful life of the purchased assets.		
Opening Balance	1,177,240	911,183
Grants received during the period	506,088	799,861
Release to the income statement	(441,870)	(532,794)
	1,241,458	1,177,240
7. Trade and other payables		
Trade payables	2,251,242	760,330
VAT	207,784	-
PAYE	52,195	39,359
Accrued leave pay	223,174	135,667
Accrued bonus	67,945	44,067
Accrued severance pay	85,689	58,976
Trust Account (refer to note 15)	4,516,429	479,576
	7,404,661	1,538,624

Included in the Trust Accounts are two bank combines accounts with a balance of N\$ 4,516,429 (2013: N\$ 479,576) relating to government specific projects. These funds are kept in a separate bank accounts in the name of Environmental Investment Fund. These accounts are recorded in the books of Environmental Investment Fund with a corresponding liability as disclosed above.

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014 N\$	2013 N\$
8. Revenue		
UNFCCC income	1,040,707	1,139,058
MET/ NEDF income	-	73,190
Government grant	10,352,190	17,507,154
	<u>11,392,897</u>	<u>18,722,432</u>
9. Operating (deficit) /surplus		
Operating (deficit)/surplus for the year is stated after accounting for the following:		
Expenses by nature		
Advertising	744,024	344,702
Depreciation	420,581	306,034
Awareness raising programs	-	291,363
Commission paid	-	217,096
Employment cost	4,275,754	2,528,046
Entertainment	34,847	200,035
Environmental Service Support	-	200,000
Lease on rentals	610,412	416,507
Printing and Publication	1,691,437	640,646
Reports and development	-	328,557
Training and workshops	1,022,193	836,700
Grants procured to projects	2,768,020	1,133,985
Municipal expenses	3,765,518	1,731,153
Promotions and sponsorships	7,297,246	-
Other expenses	(1,091,987)	-
	<u>21,561,065</u>	<u>9,575,938</u>
Operating lease charges		
Premises		
Contractual amounts	<u>610,412</u>	<u>416,507</u>
Depreciation on property, plant and equipment	<u>420,581</u>	<u>306,034</u>
Employee costs	<u>4,257,236</u>	<u>2,528,046</u>
10. Investment revenue		
Interest revenue		
Bank	273,294	247,973
Short-term deposits	1,522,548	1,652,452
	<u>1,795,842</u>	<u>1,900,455</u>
11. Auditor's remuneration		
Fees	<u>104,535</u>	<u>94,530</u>

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014 NS	2013 NS
12. Cash (used in) generated from operations		
Surplus before taxation	(7,622,308)	11,411,772
Adjustments for:		
Depreciation	720,631	305,034
Interest received – investment	(1,795,842)	(1,600,456)
Changes in working capital:		
Trade and other receivables	(10,742,832)	(3,969,582)
Trade and other payables	5,868,037	1,238,083
Deferred income	64,218	266,057
	(13,720,004)	7,319,509
13. Commitments		
Loans and Bursaries		
The Fund has made commitment to students for bursaries and loans payable to them as follows:		
Minimum payments due		
- within one year	305,240	-
- in second to fifth year inclusive	185,005	-
	494,245	-
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	633,750	503,431
- in second to fifth year inclusive	185,638	665,426
	822,318	1,169,857
Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.		
14. Prior period errors		
During the year 2013 Environmental Investment Fund received restricted cash from the government to implement objectives of different projects. This was then incorrectly accounted for as income and not liability as it does not pertain income for The Environmental Investment Fund. This income has now been reclassified to liabilities during the current year and the prior year were also restated accordingly.		
The correction of the error(s) results in adjustments as follows:		
Statement of comprehensive income		
Derecognition of Grant received	-	(479,576)

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Notes to the Annual Financial Statements

	2014 N\$	2013 N\$
14. Prior period errors (continued)		
Statement of Financial Position		
Trade and other payables	-	(479,576)
15. EIF Sundry Trust Account		
15.1	The balance at the end of the year is made up as follows:	
Balance at the beginning of the year	479,576	-
Advances during the year	87,381,288	479,576
Payments during the year	(83,618,772)	-
Bank Wk CHK 8003563547	274,337	-
	4,516,429	479,576

The Fund administers some accounts that are used to finance certain projects on behalf of the government. The accounts are opened and operated by the Environmental Investment Fund. The Environmental Investment Fund has recorded these accounts as restricted cash with corresponding amounts included in note 15 Sundry reconciliation.

15.2 Sundry Reconciliation

BMCO	(20,583)	-
Bank charges	(5,749)	445
Biodiversity Strategy	432,600	-
GEF - SGP	128,996	-
MEI - CPP ISLM	(4,005)	-
MET - UNDP	367,733	-
Namibia Customs Smelters	3,121,503	-
OPM - NEDF	150,124	150,124
Sundry Main	19,176	-
UNCCD COP11	(277,709)	-
World Environmental Day	329,006	329,006
Bank Wk CHK 8003563547	274,337	-
	4,516,429	479,576

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Detailed Statement of Comprehensive Income

	Note(s)	2014 N\$	2013 N\$
Revenue			
UNFCCC income		1,040,707	1,139,058
MET - NEDF income		-	76,190
Government grant		10,352,190	17,507,184
	8	<u>11,392,897</u>	<u>18,722,432</u>
Other income			
Administration and management fees received		360,058	364,821
Interest received	10	1,795,842	1,900,455
		<u>2,155,900</u>	<u>2,265,276</u>
Expenses (Refer to page 21)		<u>(21,081,103)</u>	<u>(9,575,936)</u>
(Loss) profit for the year		<u>(7,532,306)</u>	<u>11,411,772</u>

The supplementary information presented does not form part of the annual financial statements and is
unaudited

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2014

Detailed Statement of Comprehensive Income

	Note(s)	2014 N\$	2013 N\$
Operating expenses			
Accounting program		-	(2,352)
Advertising		(744,024)	(172,351)
Auditors remuneration	11	(104,535)	(94,530)
Awareness Raising Programs		(144,222)	(291,363)
Bank charges		(33,105)	(41,314)
BillBoard		(106,442)	-
Climate Change Youth Week		(98,054)	-
Consumables		-	(2,333)
Contribution to GCF Proposal		(505,526)	-
Contribution to the ATS		(292,322)	-
Depreciation		(420,581)	(308,034)
Eco School Project Tours		(496,800)	-
Education Support		(501,345)	-
Employee costs		(4,257,298)	(2,928,048)
Entertainment		(34,856)	(200,035)
Environmental Service Support		(216,190)	(200,000)
Farming expenses		(144,244)	-
Financial/Operational Manual		(407,293)	(217,005)
Five year strategy		-	(72,645)
General Office Supplies		(135,775)	-
Grants procured to projects		(2,751,256)	(1,133,995)
IT expenses		(3,312,287)	(1,369)
Insurance		(80,611)	(63,409)
Lease rentals on operating lease		(610,412)	(416,607)
Legal expenses		(68,370)	(34,213)
MET - NEDF Expenditure		-	(76,636)
Maintenance and Office Machines		(153,094)	(78,303)
Miscellaneous		(101,376)	(12,075)
Motor vehicle expenses		(95,952)	(39,020)
Operational incidental costs		-	(148,506)
Other Consultancy Fee		(140,766)	-
Printing & Publication		-	(640,649)
Printing and stationery		(1,691,437)	-
Regulations		-	(5,670)
Reports & Development		(30,000)	(326,557)
Seed grants		(16,765)	(10,035)
Sundry expenses		(12,781)	-
Support to UNCCC		(1,421,949)	-
Sustainable Development Awards		(78,396)	-
Telephone and fax		(81,849)	(52,020)
Training		(271,162)	-
Training and workshops		(1,114,020)	(948,602)
UNFCCC expenditure		-	(1,059,772)
		(21,081,103)	(9,575,936)

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